

CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 8, 2008

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, April 8, 2008.

Mayor Warmington opened the meeting with a prayer from George Monroe from the Evanston Avenue Baptist Church after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Clara Shepherd, Lawrence Spataro, Sue Wierengo, Steve Wisneski, and Chris Carter, Finance Director Tim Paul, City Attorney John Schrier, and City Clerk Ann Marie Becker.

2008-33 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, March 25th.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Pere Marquette Park Vendor Proposals. PUBLIC WORKS

SUMMARY OF REQUEST: Permission to enter into vendor contracts with Dan Etterman (Sandy Bottoms Snack Shop) and Steve Negen (MACkite Kiteboarding School and Shop).

FINANCIAL IMPACT: Both vendors bring value added activities to Pere Marquette Park. In addition, each vendor offers a percentage of gross revenues or pay for needed park items.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

C. Aggregates, Highway Maintenance Materials and Concrete. PUBLIC WORKS

SUMMARY OF REQUEST:

Award bid to supply H1 and H2 limestone chip blend to Verplank Trucking Company, PO Box 8, Ferrysburg, MI 49409

Award bid to supply road slag to Verplank Trucking Company, PO Box 8, Ferrysburg, MI 49409

Award bid to supply Sylvax patching material (CP-6 alternative) to Rieth-Riley Construction Co., PO Box 278, Ada, MI 49301

Award bid for crack sealant to ASI Manufacturing, LLC, 1805 Industrial Park Dr., Grand Haven, MI 49417

Award bid to supply bituminous asphalt product to Asphalt Paving, Inc., 1000 E. Sherman Boulevard, Muskegon MI 49444-0190

Award bid to supply Calcium Chloride 38% (road brine) and 32% (winter salting) to Liquid Dustlayer, Inc., P.O. Box 188, Manistee, MI 49660

Award bid to supply screened top soil to Felco Contractors, Inc., 965 Pulaski Ave., Muskegon, MI 49441

Award bid to supply 2NS sand to Verplank Trucking Company, PO Box 8, Ferrysburg, MI 49409

Award bid to supply 7-sack mix concrete to Consumers Concrete, 4400 E. Evanston, Muskegon, MI 49442; contingent upon product availability, timely deliveries, and prices as quoted.

FINANCIAL IMPACT: \$136,378 based on 2007 quantities at 2008 quotes.

BUDGET ACTION REQUIRED: None; funds appropriated in several budgets.

D. Surf Muskegon. PUBLIC WORKS

SUMMARY OF REQUEST: To authorize use of the Water Filtration Plant as the site to host equipment to enable the creation of a "Surf Muskegon" internet website by Masana, LLC.

FINANCIAL IMPACT: Use of electricity to power the camera, weather equipment, and cable modem located at the Water Filtration Plant.

BUDGET ACTION REQUIRED: There is no budget action required.

STAFF RECOMMENDATION: Staff recommends approval for use of the Water Filtration Plant to house the equipment to enable creation of the Surf Muskegon internet website by Masana, LLC.

E. Transfer of Sewage Lift Station to County of Muskegon (Wastewater). PUBLIC WORKS

SUMMARY OF REQUEST: The City of Muskegon wishes to transfer maintenance responsibilities of the Keating Avenue Sewage Lift Station to Muskegon County (Wastewater). The County is taking over the maintenance of the major lift stations in the collection system.

FINANCIAL IMPACT: The City should see some savings in its maintenance budget with a slight increase in the treatment budget as these maintenance costs will be charged by the County as part of its collections budget.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

F. Land Purchase – 1845 Creston Street. PUBLIC WORKS

SUMMARY OF REQUEST: The property to the north of the Public Works storage area is available for purchase. Additional storage area is needed, and this allows an alternate direct access to Laketon Avenue at a signalized intersection.

FINANCIAL IMPACT: \$25,000 for purchase. Demolition of structure to be done by City forces.

BUDGET ACTION REQUIRED: Cost will be absorbed by the Equipment Fund.

STAFF RECOMMENDATION: Approval.

G. City – MDOT Agreement for the Resurfacing of Quarterline, Apple to McArthur. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the milling and resurfacing of Quarterline between Apple and McArthur and to approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the federal funds of \$663,400 and state funds of \$165,800 from the local jobs today funds for a total grant of \$829,200. The estimated total construction cost of the project is \$872,100.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the contract and resolution and authorize the Mayor and Clerk to sign both.

H. Set Public Hearing for Amendments to Brownfield Plan – Betten Auto Dealerships Project. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for amendments to the City of Muskegon Brownfield Plan, and notifying taxing jurisdictions, Michigan Department of Environmental Quality, and Michigan Economic Growth Authority of the Brownfield Plan Amendments, including the opportunity to express their views and recommendations regarding the proposed amendments at the public hearing. The amendments are for the inclusion of the Betten Auto Dealerships Project in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax Increment Financing would be used to reimburse the developer and the City for Act 381 "eligible expense" incurred in association with development of the Betten properties, starting in 2008. The developers/owners estimate that full development of the Betten properties will involve over \$13 million in private investment (in addition to property

acquisition), resulting in a substantial increase in the city income, and local and school property taxes generated by the property.

"Eligible expenses" would be reimbursed to Betten starting in 2008, commencing for either 15 years, or up to \$3 million, whichever occurs first. After reimbursement of "eligible expenses" to Betten, tax capture would continue to reimburse the City for its infrastructure costs involved in resurfacing Henry Street between Sherman and Hackley, which will enhance the Betten project. The estimated tax capture schedule is included as Attachment S-3 in the proposed Brownfield Plan Amendment. The City is also authorized by law to capture up to \$75,000/year to pay for "reasonable and actual administrative and operating costs" of the Brownfield Redevelopment Authority. As such, \$10,000/year of the local tax increment will be captured to reimburse the Brownfield Authority.

After all eligible costs incurred by the parties are reimbursed, the BRA is authorized to continue to capture local taxes for five more years for deposit into a Local Site Remediation Revolving Fund. Current tax capture estimates indicate that approximately \$998,500 could be captured from the taxes on the Betten properties for deposit into this local fund.

STAFF RECOMMENDATION: To approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority (BRA) met on April 1, 2008, and approved the Brownfield Plan Amendment adding the Betten Auto Dealership properties to the Brownfield Plan. The BRA requests that the Muskegon City Commission set a public hearing on the Plan Amendments, and requests notification of the taxing jurisdictions, MDEQ, and MEGA of the proposed amendment and its financial impact on each jurisdiction.

I. Liquor License Transfer Request for Applebee's, 1825 E. Sherman. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from Applebee's of Michigan, Inc. to transfer ownership of the 2007 Class C Resort licensed business located at 1825 E. Sherman to Applebee's Restaurants Mid-Atlantic LLC.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

J. Request to Fly the Norwegian Flag. CITY CLERK

SUMMARY OF REQUEST: The Sons of Norway is requesting permission to fly the Norwegian Flag at City Hall on Friday, May 16th to Monday, May 19th to celebrate Norway's Constitution Day.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the request.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the consent agenda as read.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron

Nays: None

MOTION PASSES

2008-34 NEW BUSINESS:

A. Lease with Option to Purchase Pilot Program. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To have the Commission approve the pilot program developed by the Community and Neighborhood Services office for a Lease with Option to Purchase Pilot Program for the houses owned by CNS.

The lessee will have a three-year period (36 months) to obtain a mortgage. If the lessee is able to obtain a mortgage after the first year, the purchaser will be able to receive a nine-percent decrease in the purchase price. If it takes two years to qualify for a mortgage, the property will be sold at a five-percent decrease from the original asking price. If it takes the three-year period for the lessee to obtain the mortgage, the sale price would be the original price. The lessee would be responsible for all the utilities and upkeep of the property.

Because of the current economic environment, as it relates to housing, the department feels we can assist the market by implementing this program.

Two homes are eligible for this pilot program: 435 Monroe and 867 Williams.

FINANCIAL IMPACT: This will eliminate some of the overhead costs the City has because of the length of time these houses have been on the market. Costs include utilities, alarm system, grass cutting, snow removal, etc.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the request.

COMMITTEE RECOMMENDATION: The program has been reviewed by the Citizen's District Council.

Comments were heard from Leland Davis, 1148 Terrace; Bob Carr, 24 Morrall; and Jim Burgess, 6336 S. Walker Rd., Fruitport.

Motion by Commissioner Spataro, second by Commissioner Wisneski to approve the request to initiate the lease to purchase program as recommended by the Citizen's District Council.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Carter, Gawron, and Shepherd

Nays: None

MOTION PASSES

B. Approval of the 2008-2009 Action Plan. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the 2008-2009 Action Plan for the City of Muskegon Community Development Block Grant/HOME Partnership Program activity. If the Action Plan is approved, the Community and Neighborhood Services office will continue the comment period of the Action Plan as amended, if needed, until April 17, 2008.

On or after April 17, 2008, the Community and Neighborhood Services office will deliver the Action Plan to the United States Department of Housing and Urban Development as required in order to request the Release of Funds for the 2008-2009 fiscal year.

FINANCIAL IMPACT: Action Plan establishes the 2008-2009 Community Development and HOME budgets.

BUDGET ACTION REQUIRED: None at this time. Budget established by Action Plan.

STAFF RECOMMENDATION: To approve the Action Plan as is or as amended.

COMMITTEE RECOMMENDATION: The Commission received both the Citizen District Council and the Administration recommendations.

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the Action Plan as recommended by administration for the 2008-2009 Community Development Block Grant and accept the HOME Fund recommendation as outlined by Commissioner Carter at a previous meeting to take \$10,000 from Neighborhood Investment Corporation and \$10,000 from Habitat for Humanity and transfer that \$20,000 to the City's Home Infill program.

ROLL VOTE: Ayes: Wisneski, Carter, Gawron, Shepherd, and Spataro

Nays: Warmington and Wierengo

MOTION PASSES

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:24 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk